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THE AGRICULTURAL SITUATION

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS,
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SLOW PROGRESS WITH THE CROPS

The weather, which always dominates the crop situation, has been remarkably perverse this season. Two months ago when the crops were getting started and rain was badly needed, most of the country was unduly dry. During the past three weeks, with haying and early harvest going forward and sunshine essential, it has rained most of the time over much of the country. In consequence, considerable hay and some grain have spoiled in the fields and the harvest has been under a discouraging handicap. Cotton prospects have fallen off and insect enemies have flourished. On the other hand, the rains have helped corn and potatoes and, in some areas, spring wheat.

The winter wheat crop is made and no small part of it already marketed. In the Wheat Belt proper it is a fine crop. The country-wide average yield was 17.1 bushels per acre, the highest since 1914 and the grain is of splendid weight and quality. The winter Wheat Belt is blessed with what it appears to regard as a season of prosperity. Spring wheat, on the other hand, is a spotted and generally disappointing crop, due to the earlier drought. Corn prospects have improved with the recent rains but will hardly make an average crop even though frost holds off until late. Hay is a short crop, as a whole, and old stocks are light. Oats are about an average crop but stocks of old oats on farms are unusually large. Fruit is a heavy crop. Cotton condition deteriorated during last month; the lateness of the spring, the recent rainy weather, and insect ravages have all worked against the crop, though the forecasts are still for 15 million bales or more.

The land is being fitted now and seeding begun for another crop of winter wheat. The reported intention of farmers is to sow 14 per cent more acreage to wheat than last fall. If these intentions are carried out it will mean about 45 million acres in winter wheat, which would exceed the annual average during the war or post-war period. The contemplated increases in certain leading wheat States are Texas 15 per cent larger acreage than last fall, Oklahoma 12 per cent, Kansas 4 per cent, Nebraska 8 per cent, Missouri 60 per cent, Illinois 34 per cent, Washington 46 per cent. If the sowings are increased as intended and average abandonment should occur this winter, it would leave for harvest about 7 per cent larger acreage than was harvested this summer.

The outlook for the livestock industries continues favorable. That fact coupled with a prospect of fairly well balanced food and feed crop production appear to offer encouraging evidence for this season's outcome. On the other hand, the recent general turn of prices has been against the farmer. The index of the purchasing power of farm products, in terms of non-agricultural commodities, dropped two points last month, standing at 85 per cent of pre-war parity.

KEY REGIONS AT A GLANCE

THE EAST - Suffered from cloudy, rainy weather. Late haying held up, oat harvest delayed and considerable hay, oats, and wheat damaged or spoiled. Corn and potatoes grown rapidly. Fruit a heavy crop. Dairy situation continues favorable on market milk and with fair spread between milk and feed prices; cows rather high in price.

THE SOUTH - Cotton progressing slowly with favorable rains in east, too much rain in some central areas, and rain needed in portions of Texas. Widespread reports of some insect damage. Picking going forward in more southern territory. Other crops doing fairly well. Citrus fruit developing well. Rice harvest in progress.

CORN BELT - All field work badly handicapped by rainy weather. Some loss of hay and oats and of wheat in shock. Corn benefited by rains but must have late season to mature in most areas; down in places from storms. Fall plowing in progress and wheat seeding begun.

WHEAT BELT - Winter wheat territory in south generally showing the evidences of a prosperous season. Sowing of the new crop under way with reported intentions to increase the acreage substantially over last fall. Spring wheat crop in north more of a disappointment; harvest delayed somewhat by rains. Flax harvest in progress.

RANGE COUNTRY - Low ranges generally in only fair condition but higher ranges are furnishing ample feed. Cattle and sheep being shipped. Stocks remaining on range in generally good condition. Very dry in Nevada and in sections of south. On the whole, feed crops as well as sugar beets, fruit, and other irrigated crops are rated as good.

PACIFIC COAST - Weather favorable with much needed rains in north. Excellent yields of wheat in north and seeding under way for the new crop. Oregon harvesting apples and pears, drying prunes, etc. Harvesting sugar beets, beans, cotton, fruit and beginning rice in south. Citrus fruits good.

THE TREND OF CROP PRODUCTION

	1913 Production	5-Year Av. 1921-1925 Production	1925 Production	1926 Aug. 1 Forecast
	Millions	Millions	Millions	Millions
Winter wheat, bu.	523	549	396	626
Spring wheat, bu.	240	253	271	213
All wheat, bu.	763	802	666	839
Corn, bu.	2,447	2,849	2,905	2,577
Oats, bu.	1,122	1,327	1,512	1,311
Flaxseed, bu.	18	17.8	22	19
Cotton, bales	14.1	11.5	16.1	15.2*
Rice, bu.	25.7	36	34	40.5
Potatoes white, bu.	332	396	326	346
Sweet potatoes, bu.	59	84	62	73
Tobacco, lbs.	954	1,290	1,374	1,203
Hay, all, tons	64	90	87	78
Apples, total, bu.	145	170	172	219
Apples, commercial, bbls.	---	30.1	33	39.6
Peaches, bu.	---	47	47	64

Total acreage in 21 cultivated crops about 2 per cent above that harvested last year.

Composite crop condition on August 1 was 95.8 or 4.2 per cent below their 10-year average condition on that date.

* Forecast as of August 16.

AVERAGE PRICES OF FARM PRODUCTS RECEIVED BY PRODUCERS

August 15, 1926.

Actual prices received by producers at local farm markets as reported to the Division of Crop and Livestock Estimates of this Bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

	5-Yr. Av. Aug. 1909 July, 1914	August Average 1910-1914	Aug. 1925	July 1926	Aug. 1926
Cotton, per lb.	¢ 12.4	12.3	23.4	15.4	16.1
Corn, per bu.	¢ 64.2	70.9	106.5	71.5	79.5
Wheat, per bu.	¢ 88.4	89.5	150.4	127.7	125.1
Hay, per ton.	\$ 11.87	11.35	12.25	12.96	13.04
Potatoes, per bu.	¢ 69.7	84.0	155.4	176.6	140.5
Oats, per bu.	¢ 39.9	40.9	40.7	37.7	37.9
Beef cattle, per 100 lbs.	\$ 5.22	5.08	6.58	6.46	6.29
Hogs, per 100 lbs.	\$ 7.23	7.30	12.19	12.69	11.66
Eggs, per dozen	¢ 21.5	18.2	30.0	25.7	26.4
Butter, per lb.	¢ 25.5	23.8	40.0	39.1	39.0
Butterfat, per lb.	¢ ----	----	41.3	38.6	38.6
Wool, per lb.	¢ 17.7	17.5	38.1	31.9	31.9
Veal calves, per 100 lbs.	\$ 6.75	6.59	8.80	9.47	9.54
Lambs, per 100 lbs.	\$ 5.91	5.51	11.80	11.52	11.12
Horses	\$142.00	143.00	80.00	82.00	80.00

Farm prices of corn advanced about 11 per cent from July 15 to August 15, while the price of hogs dropped about 8 per cent. With July 15 farm prices the price of 100 pounds of hogs was equivalent to the price of nearly 18 bushels of corn, while on August 15 this ratio was reduced to less than 15 bushels of corn, which is the lowest since November of 1925. The farm price of potatoes dropped nearly 20 per cent.

With the farm products listed above, only one crop, hay, and one livestock item, veal calves, show any price gain over August a year ago.

With the above farm products only 4 are 159 per cent of the price during the pre-war period of 1909 to 1914. (The level of wholesale prices of non-agricultural products was 159 per cent of the pre-war level for July.) The farm prices of the 4 farm products expressed as a percentage of the pre-war average is as follows: hogs 161 per cent, wool 179, lambs 188, and potatoes 202 per cent.

PRICE INDEXES FOR JULY, 1926.

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics, (latter shown to nearest whole number). Shows year ago and latest available month:

Farm Products

(Prices at the farm; Aug. 1909 - July, 1914 = 100)

	<u>July</u> <u>1925</u>	<u>June</u> <u>1926</u>	<u>July</u> <u>1926</u>	<u>Month</u> <u>Trend</u>
Cotton	189	130	124	Lower
Corn	163	107	111	Higher
Wheat	159	157	144	Lower
Hay	105	109	109	Unchanged
Potatoes	180	273	251	Lower
Beef cattle	126	126	124	Lower
Hogs	166	177	175	Lower
Eggs	130	120	120	Unchanged
Butter	154	155	153	Lower
Wool	221	176	179	Higher

Commodity Groups

(Wholesale Prices; 1910 - 1914 = 100) 1/

	<u>July</u> <u>1925</u>	<u>June</u> <u>1926</u>	<u>July</u> <u>1926</u>	<u>Month</u> <u>Trend</u>
Farm products	162	144	141	Lower
Food, etc.	156	156	153	Lower
Cloths & clothing	192	179	177	Lower
Fuel & lighting	200	208	205	Lower
Metal and met. products	135	134	135	Higher
Building materials	175	176	177	Higher
Chemicals, etc.	132	130	129	Lower
House-furnishing goods	175	167	167	Unchanged
ALL COMMODITIES	163	155	153	Lower

1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.

RELATIVE PURCHASING POWER

(At July, 1926, Farm Prices)

Aug. 1909 - July, 1914 = 100

Of a unit of:

<u>In terms of:</u>	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	81	73	94	71	163
Cloths, etc.	70	63	82	62	142
Fuel, etc.	60	54	70	53	122
Metals, etc.	92	82	107	81	185
Bldg. materials	70	63	82	62	142
House-furnishing goods	75	67	87	66	150

	<u>Beef cattle</u>	<u>Hogs</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	81	114	78	100	117
Cloths, etc.	70	99	68	87	101
Fuel, etc.	60	85	58	75	87
Metals, etc.	92	130	88	113	132
Bldg. materials	70	99	68	87	101
House-furnishing goods	75	105	72	92	108

The indicated exchange position of corn, hogs, and wool improved during July. Cotton, wheat and potatoes declined in relative purchasing power. Hay, beef cattle and butter remained unchanged.

The general index of purchasing power of farm products in terms of non-agricultural commodities declined two points from previous month and stood at 85, the five pre-war years being considered as 100.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	<u>1925</u> <u>July</u>	<u>1926</u> <u>June</u>	<u>1926</u> <u>July</u>	<u>Month's</u> <u>Trend</u>
<u>PRODUCTION</u>				
Pig iron daily (Thou. tons)	86	108	104	Decrease
Bituminous coal (Million tons)	40	42	43	Increase
Steel ingots (Thou. long tons)	3,084	3,751	3,651	Decrease
<u>CONSUMPTION</u>				
Cotton by mills (Thou. bales)	484	519	461	Decrease
Unfilled orders Steel Corp. (Thou. T.)	3,539	3,479	3,603	Increase
Building contracts (Million dollars)	441	471	443	Decrease
Hogs slaughtered (Thousands)	1,804	2,087	1,873	Decrease
Cattle " "	1,252	1,217	1,168	Decrease
Sheep " "	939	998	912	Decrease
<u>MOVEMENTS</u>				
Bank clearing (N.Y.) (Billion dollars)	23	24	24	Same
Car loadings (Thousands)	4,945	4,112	5,245	Increase
Mail order sales (Million dollars)	28	35	32	Decrease
Employees, N. Y. State Factories (Thou.)	486	496	486	Decrease
Av. price 25 indus. stocks (Dollars)	149	156	162	Increase
Interest rate (4-6 mo. paper, N. Y.)	3.93	3.88	3.95	Increase
Retail Food price Index (Dept. Labor)*	160	160	157	Lower
Wholesale Price Index (Dept. Labor)*	160	152	151	Lower

Movement of the crops has begun to stimulate railway activity and trade in some directions. Industrial production appears to have eased down slightly, however. A few signs of unemployment begin to show up. The general price level has declined somewhat. In general, business continues good and industrial conditions are those of prosperity and confidence.

Data on this page, excepting livestock slaughter and price indexes, are from the "Survey of Current Business", Bureau of the Census, U. S. Department of Commerce.

GENERAL TREND OF WAGES AND PRICES

1910-1914 = 100

Year and Month	General Wage Level	Farm Wages 2/	Retail Price of Food 1/	Wholesale Price of food 1/	Wholesale Price all Commodities
	N.Y. factory workers				Bureau of Labor Statistics
1910	---	97	96	100	103
1911	---	97	95	96	95
1912	---	101	101	103	101
1913	---	104	103	99	102
1914(June)	100	101	106	101	100
1915	101	102	104	104	103
1916	114	112	117	120	129
1917	129	140	151	166	180
1918	160	176	174	187	198
1919	185	206	192	205	210
1920	222	239	210	218	230
1921	203	150	158	143	150
1922	197	146	146	137	152
1923	214	166	151	143	156
1924	218	166	150	143	152
1925	223	168	160	156	162
1925					
January	223	156	159	159	163
February	220	---	156	156	164
March	224	---	156	158	164
April	218	163	155	153	159
May	221	---	156	152	158
June	220	---	160	154	160
July	220	170	165	156	163
August	222	---	165	158	163
September	223	---	164	159	163
October	225	173	167	157	160
November	226	---	172	159	160
December	229	---	171	156	159
1926					
January	229	159	169	155	159
February	225	---	166	152	158
March	229	---	165	150	154
April	227	166	167	152	154
May	226	---	166	153	154
June	228	---	165	156	155
July	227	174	162	153	153

1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.
2/ Ind ex based on both monthly and daily wages.

NEW INDEX OF GENERAL TREND OF PRICES
On Five-Year Base, August, 1909 - July, 1914 = 100

Year and Month	Index numbers of farm prices							Wholesale Prices of Non-Agricultural Commodities 1/	Relative power of Farmer's Product 2/
	Grains	Fruits and Vegetables	Meat Animals	Dairy & Poultry Products	Cotton and Cotton-seed	Unclassified	All Groups 30 Items		
1910	104	91	103	101	113	102	103	102	101
1911	96	106	87	95	101	103	95	96	99
1912	106	110	95	103	87	106	99	100	99
1913	92	92	108	100	97	94	100	105	97
1914	103	100	112	101	85	95	102	97	105
1915	120	83	104	99	78	95	100	101	99
1916	126	123	120	106	119	100	117	138	85
1917	217	202	173	133	187	130	176	182	97
1918	226	162	202	160	245	157	200	188	107
1919	231	189	206	182	247	162	209	199	105
1920	231	249	173	197	248	152	205	241	85
1921	112	148	108	151	101	90	116	167	69
1922	105	152	113	135	156	94	124	168	74
1923	114	136	106	147	216	109	135	171	79
1924	129	124	109	137	211	100	134	162	83
1925	156	160	139	143	177	92	147	165	89
1925									
Jan.	172	122	123	154	182	94	146	165	88
Feb.	178	131	126	142	183	96	146	167	88
Mar.	172	138	145	134	195	94	151	165	91
Apr.	152	146	146	131	189	94	147	162	90
May.	159	162	139	132	184	87	146	161	90
June	164	184	139	132	183	86	148	163	91
July	152	178	148	134	186	88	149	164	91
Aug.	157	178	149	139	186	96	152	164	93
Sept.	148	142	143	141	178	90	144	163	88
Oct.	135	152	141	154	171	90	143	164	87
Nov.	138	194	136	162	144	95	144	166	87
Dec.	140	194	136	163	139	92	143	165	87
1926									
Jan.	143	214	140	153	138	87	143	165	87
Feb.	140	218	146	144	142	87	143	164	87
Mar.	133	220	147	137	133	85	140	162	87
Apr.	131	253	146	133	135	83	140	160	88
May	131	240	148	131	130	82	139	160	87
June	130	216	154	130	132	81	139	160	87
July	125	195	152	131	126	81	135	159	85

1/ Computed by Bureau of Labor Statistics from wholesale prices of all commodities except those from United States farms. 1910-1914 = 100. 2/ The value of a unit of the farmer's product in exchange for non-agricultural products at wholesale prices, compared with pre-war values. Obtained by dividing index of all groups (30 items) by the index of the wholesale prices of non-agricultural products.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this bureau. All figures given to nearest thousand, that is, three ciphers omitted.

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1920 Total	332,314	210,332	42,121	22,197	23,538	402,755
1921 "	435,606	340,908	41,101	19,787	24,168	468,150
1922 "	413,106	378,598	44,068	23,218	22,364	526,714
1923 "	386,430	271,858	55,330	23,211	22,025	545,380
1924 "	482,007	278,719	55,414	23,695	22,201	587,477
1925 "	346,381	223,604	43,929	24,067	22,100	574,489
1920 July	27,728	19,735	2,811	1,671	2,034	58,871
1921 "	59,700	17,949	2,727	1,343	1,776	78,361
1922 "	41,019	22,475	2,980	1,710	1,677	64,938
1923 "	36,435	18,515	4,181	1,903	1,661	63,694
1924 "	39,911	18,453	4,091	1,798	1,672	77,706
1925 Jan.	23,247	35,820	6,105	1,869	1,467	37,781
" Feb.	18,493	20,833	4,558	1,530	1,388	35,181
" Mar.	16,925	23,868	3,528	1,860	1,504	40,725
" Apr.	10,023	9,810	3,247	1,827	1,541	42,141
" May.	17,896	11,935	3,283	1,737	1,689	56,838
" June	20,465	17,381	3,507	1,746	1,603	74,171
" July	37,919	9,662	2,798	1,970	1,699	69,970
" Aug.	41,928	17,488	2,549	2,245	2,064	57,556
" Sept.	57,756	12,889	2,741	2,157	2,627	45,005
" Oct.	34,111	12,187	3,390	2,789	3,198	43,467
" Nov.	33,948	19,144	3,844	2,282	1,712	35,455
" Dec.	33,670	32,587	4,380	2,056	1,608	36,199
1926 Jan.	19,076	28,268	4,304	1,840	1,548	39,424
" Feb.	15,923	25,718	3,372	1,551	1,486	39,507
" Mar.	15,052	20,080	3,579	1,811	1,695	46,077
" Apr.	13,458	12,589	3,135	1,711	1,502	45,501
" May	15,260	11,972	3,037	1,894	1,717	54,464
" June	18,505	23,912	3,143	1,871	1,913	75,931
" July	68,200	13,353	2,854	1,821	1,739	68,393

Movement of new wheat during July heaviest in years.

Market receipts of hogs slightly above last year; cattle and butter slightly below last year; sheep and lambs relatively heavy.

THE TREND OF EXPORT MOVEMENT

Compiled from the Department of Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT 1/ including flour	TOBACCO	BACON** HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1920 Total	311,601	467,662	821,922	612,250	1,043,500	6,111
1921 "	359,021	515,353	647,680	868,942	786,280	6,385
1922 "	235,307	430,908	631,452	766,950	733,832	6,015
1923 "	175,190	474,500	828,890	1,035,382	958,472	5,224
1924 "	241,454	546,555	637,980	944,095	729,832	6,653
1925 "	138,786	468,469	467,459	688,829	547,361	8,362
1920 July	35,136	42,067	39,908	47,061	57,971	208
1921 "	30,661	53,156	75,958	83,329	90,838	595
1922 "	19,308	32,319	59,252	66,058	67,886	364
1923 "	12,999	44,105	64,264	69,478	74,127	168
1924 "	7,758	32,521	53,769	86,788	60,275	203
1925 January	13,126	35,448	56,169	78,440	55,705	1,052
" February	11,800	23,806	48,041	60,363	55,438	792
" March	16,480	32,477	53,853	63,281	62,158	708
" April	12,912	30,519	33,413	44,447	39,303	440
" May	13,114	22,415	33,475	71,135	38,977	314
" June	10,922	27,460	39,690	59,799	45,398	211
" July	8,932	39,037	35,472	49,414	40,990	198
" August	12,007	34,890	31,770	45,740	38,250	313
" September	13,152	50,677	32,900	62,646	40,230	750
" October	9,113	52,211	30,706	44,745	37,071	1,414
" November	8,796	51,154	31,693	39,979	37,304	1,196
" December	8,437	68,375	40,277	68,840	46,537	974
1926 January	5,587	46,891	46,654	76,670	53,833	735
" February	4,742	47,147	37,187	65,356	45,292	545
" March	7,039	36,167	34,133	64,259	40,641	512
" April	6,452	43,388	31,410	63,160	37,947	506
" May	12,558	27,431	30,104	58,154	35,197	412
" June	11,210	30,762	23,861	56,482	29,959	339
" July	19,811	29,760	22,457	45,879	28,221	356

* Includes fresh, canned and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; fresh mutton and lamb.

** Includes Cumberland and Wiltshire sides.

Excludes linters.

1/ Wheat flour is converted on a basis of 4.7 bushels grain equal 1 barrel of flour.

COLD STORAGE SITUATION

August 1 holdings (Shows nearest million, six figures omitted):

<u>Commodity</u>	<u>5-Year Average</u>	<u>Year Ago</u>	<u>Month Ago</u>	<u>August 1, 1926</u>
Creamery butter, lbs.	106	109	87	131
American cheese, lbs.	55	67	54	74
Case eggs, cases	9,513*	10,024*	9,133*	9,834*
Total poultry, lbs.	36	54	37	36
Total beef, lbs.	55	50	49	46
Total pork, lbs.	751	669	602	638
Lard, lbs.	155	146	121	152
Lamb & mutton, lbs.	3,283*	1,349*	1,871*	1,808*
Total meats, lbs.	878	790	706	743

Dairy products moved into storage in volume during July and stocks are heavier than average.

Eggs also moved into storage at a slightly faster rate than average but stocks are still somewhat below last year.

Pork products increased slightly in storage, contrary to the usual seasonal tendency, and are not far from last year's volume. However, the stock of meat in storage remains considerably below average.

* Thousands, or three figures omitted.

THE DAIRY SITUATION

Despite the fact that the flush season is past, production still remains an important factor in the dairy situation, more so perhaps because of the uncertainty as to what the next few months, developments may be. The unfavorable effects of hot weather during July were clearly reflected in the lighter receipts of both butter and cheese at important wholesale markets, and this condition extended into August. As will be remembered, production earlier in the season exceeded that of 1925, but in June the shrinkage in milk flow became evident, and now there is doubt as to what the final results for the year will be. This much is true, however, that looking back over several years, butter production this year and last has not maintained the pace which had previously been set. Nor is such a tendency confined to butter alone, for cheese has also fallen far behind previous records of yearly increases.

Referring to butter in particular, holdings in cold storage are commanding some attention. August 1 stocks were 131,109,000 pounds, a surplus of 22,000,000 pounds over August 1, 1925. These holdings have been further added to during August, and while the increase will probably not exceed half of last year's August increase, there nevertheless will be a very substantial surplus on September 1. Only a small decrease in fall and winter production would be required to offset this reserve. Another matter of interest for which no definite explanation is forthcoming is the apparent lighter trade output at wholesale markets during July. Lighter receipts than during June and a heavier movement into storage indicate that less butter moved into trade channels at these markets. This may have been due in part to more direct shipping to smaller markets by creameries or to the fact that with lighter production, less surplus butter has reached the big markets. The price situation does not suggest that lighter consumptive demand should be the cause.

Butter prices have followed a steady course ever since the first of May, with a range between high and low since then up to this writing (August 26) of but $3\frac{1}{2}$ cents. While there is a general feeling among the trade that the market is in good shape and that higher prices might be justified, there is still enough sentiment the other way to have prevented advances. Both July and August prices averaged approximately $2\frac{1}{2}$ cents below last year's averages for these months. Cheese prices have made some substantial gains since the first of August, but still remain below those of a year ago. These recent gains, together with sharp declines which occurred during August of last year, place 1925 and 1926 cheese prices in closer relation to each other than they have been since February. August prices for fluid milk do not show much change, except here and there where slight advances have occurred.

L. M. Davis,

Division of Dairy and Poultry Products, B. A. E.

- 14 -
DAILY SITUATION

(Thousand lbs., i.e., 000 omitted)

BUTTER SUMMARY

	JULY			JANUARY - JULY, INCLUSIVE		
	1926	1925	% Change	1926	1925	% Change
Production (1)						
Creamery	155,574	158,920	- 2.1	828,960	835,315	- 0.8
Farm	67,918	69,089	- 1.7	357,454	363,617	- 1.7
Total butter	223,492	228,009	- 2.0	1,186,414	1,198,932	- 1.0
Net exports	455	19	--	616 Im.	1,760 Im.	--
In Storage (1st)	86,897	63,687	--	52,785	65,694	--
In Storage (end)	131,109	109,075	--	131,109	109,075	--
Trade Output	178,825	182,602	- 2.1	1,108,706	1,157,311	- 4.2
Milk Equivalent	3,755,325	3,834,642	- 2.1	23,282,826	24,303,531	- 4.2
Receipts 4 mkts	78,381	80,111	- 2.2	421,242	406,072	+ 3.7

CHEESE SUMMARY

Production (2)	52,462	54,085	- 3.01	269,718	268,196	+ 0.6
Net imports	4,778	4,107	--	31,218	25,440	--
In Storage	68,771	61,992	--	76,649	67,558	--
In Storage (end)	89,951	83,568	--	89,951	83,568	--
Trade output	36,060	36,616	- 1.5	287,634	277,626	+ 3.6
Milk Equivalent	360,600	366,160	- 1.5	2,876,340	2,776,260	+ 3.6
Rec'ts Wisconsin warehouses	32,789	36,005	- 8.9	171,086	167,427	+ 2.2

CONDENSED AND EVAPORATED MILK SUMMARY

Production (3)	181,485	191,238	- 5.1	1,081,165	1,140,854	- 5.2
Net exports	9,119	15,731	--	71,096	86,414	--
In Mfgs' hands (1st)	228,156	187,636	--	156,272	123,428	--
In Mfgs' hands (end)	241,981	194,865	--	241,981	194,865	--
Trade output	158,541	168,278	- 5.7	924,360	983,003	- 5.9
Milk Equivalent	396,352	420,695	- 5.7	2,310,900	2,457,508	- 5.9

TOTAL MILK EQUIVALENT - BUTTER, CHEESE AND CONDENSED MILK

Production	5,671,665	5,807,134	- 2.3	30,314,787	30,711,667	- 1.2
Trade output	4,512,277	4,621,497	- 2.3	28,470,066	29,537,299	- 3.6

DRY MILK

Skim milk (Stock Aug.1)	11,433	4,892	--	1/1/26 - 4,399	1/1/25 6,735	
Dry milk (net)	10 Im.	110 Im.	--	1,324 Im.	337 Im.	--

(1) Estimated from Receipts on 4 principal markets.

(2) Estimated from Receipts at Wisconsin Warehouses.

(3) Compiled from special reports to this Bureau.

T. R. Pirtle,
Division of Dairy and Poultry Products., B. A. E.

THE EGG AND POULTRY SITUATION

During August the egg market has displayed quite a firm tone on the fanciest grades of eggs which have been in limited supply owing to heat defects. Prices on goods of this character have advanced until they are on a parity with corresponding prices of last year although at the beginning of the month they were several cents lower. On the ordinary run of current receipts, however, prices have shown only small advances and are still slightly below last year's levels. Receipts continue to decrease but have not shown as much shrinkage as some members of the trade anticipated.

The egg storage season has, of course, drawn to a close. Stocks of shell eggs on August 1 were only 190,000 cases less than last year, while holdings of frozen eggs were some 9,000,000 pounds heavier. For all practical purposes, therefore, the holdings are as large as last year when eggs failed to move at a profit to storers. The prices at which the eggs were stored, while lower than a year ago, were too high in the opinion of many in the trade, and it appears that the average season's selling price for storage eggs will have to be as great or greater than last year to clear the stocks at a profit. Out-of-storage movement in August has been more favorable than in 1925, and this has added some confidence to the storage egg situation which has been reflected by the fairly well sustained December future option.

Receipts of fresh killed poultry have been running moderately ahead of last year, but current consumption and diversions to cold storage have been sufficient to keep the market about steady most of the time. The proportion of chickens in the current arrivals is increasing, especially the larger sizes, and these are finding a more difficult sale.

Stocks of poultry in the freezers on August 1 were about 18,000,000 pounds less than the same date in 1925. In no class is there a particularly burdensome supply on hand, but out-of-storage movement is slow and it is difficult to move stock readily without making concessions. Buyers of the frozen poultry have been taking supplies on a hand-to-mouth basis and prices have declined under the pressure to sell, especially on chickens, in anticipation of still lower prices as the supply of fresh dressed stocks becomes more plentiful. Turkeys are in lighter supply than for several years past, but are selling rather slowly on account of the high prices prevailing.

Live poultry has been in plentiful supply to care for the rather slow demand at this season due to the hot weather and to many consumers being out of town on vacation. A strike of unloaders at New York at the opening of the month caused a backing up of several days, supplies at that point. While an effort was made to work these out gradually, supplies for the next week were too heavy for current needs, and prices declined. Later in the month the situation improved and both chickens and fowls sold to better advantage.

Rob R. Slocum,
Division of Dairy and Poultry Products, B. A. E.

POULTRY AND EGG SITUATION
(Thousands, i. e., 000 omitted)
Stocks in Storage August 1 - United States

	Shell eggs (Cases)	Frozen eggs (Pounds)	Dressed poultry (Pounds)
1926	9,834	51,765	35,770
1925	10,024	42,815	53,558
Change	- 190	+ 8,910	- 17,788
Per cent	- 1.9	+ 20.8	- 33.2
% change from 5 yr.av. +	3.4	52.2	0.8

Imports and Exports of Poultry and Eggs Jan. 1 - July 31, 1926					
	Imports	1926	1925	Exports	1926 1925
Shell eggs (Dozens)		141	473		17,888 15,179
Whole eggs, dried (Lbs)		390	530		
Whole eggs, frozen "		4,847	4,665		
Yolks, dried (Lbs.)		1,633	1,663		
Yolks, frozen "		2,171	3,088	1/	293 1/ 184
Egg albumen, dried (Lbs.)		1,511	1,603		
Egg albumen, frozen, prepared or preserved (Lbs.)		1,761	1,116		
Live poultry, (Lbs.)		403	94		381 456
Dressed poultry, (Lbs.)		2,727	981	2/	2,997 2/ 4,786
Poultry prepared in any manner (Lbs)		284	266		- -

1/ Includes all forms of frozen and dried eggs.
2/ Includes game.

Receipts and Apparent Trade Output at Four Markets
EGGS (Cases)

J U L Y				J A N . 1 - J U L Y 3 1		
	Receipts	Net Storage Movement	App. Trade Output	Receipts	Net Storage Movement	App. Trade Output
1926	1,309	+ 349	960	10,985	+ 2,861	8,124
1925	1,242	+ 295	947	11,256	+ 3,246	8,010
Change	+ 67		+ 13	- 271		+ 114
Per cent	+ 5.4		+ 1.4	- 2.4		+ 1.4

Receipts and Apparent Trade Output at Four Markets - Dressed Poultry (Lbs)

J. U L Y				J A N . 1 - J U L Y 3 1		
	Receipts	Net Storage Movement	App. Trade output	Receipts	Net Storage Movement	App. Trade Output
1926	20,724	- 1,195	21,919	134,044	- 49,378	183,422
1925	17,676	- 4,432	22,108	126,669	-53,034	179,703
Change	+ 3,048		- 189	+ 7,375		+ 3,719
Per cent	+ 17.2		- .9	+ 5.8		+ 2.1

BIG TRUCK AND FRUIT YEAR

While crops in general may not be quite up to average, fruits and vegetables at least are doing their full share. Combined shipment totals have caught up with and passed the figures of last season, owing to heavy midsummer movement of peaches, melons and other fruits. The supply of vegetables has been about as usual and seems not likely to gain much, relatively.

The net gain over last season's shipments up to September was wholly in the fruits and this may continue distinctly a fruit year. Last season, various fruit crops ranged from about average to somewhat above. This year the indicated commercial production now seems likely to exceed all records. Dry weather later may cut size and yield. Excessive rainfall may favor reported beginnings of scab, decay and sooty blotch. There is still the usual danger of loss by windstorms and freezing, but a large crop, of good quality, is taken pretty much for granted by this time. There is some anxiety about market disposal and concerning the supply of suitable cars for moving the fruit crop, also for potatoes, if these should repeat the great market activity of last fall and winter. Plainly, nothing but the good fruit will pay to ship this season.

Apples

A market crop of apples possibly one-third greater than the average, offers a task in salesmanship. Percentages of gain in condition of the crop during midsummer was a little greater in the Eastern and Central States than in the boxed apple region but the crop appears large in all the principal fruit sections. Quality is good thus far. There is some scab in eastern sections, but most of the season was too dry for development of much disease.

Early apples have been selling low in city markets, at 25 cents to \$1.50 a bushel. Late apples started slightly under last year's opening figures, with a few advance sales reported unofficially at \$3.50-\$4.50 a barrel in the southern part of the apple region. Northwestern Jonathans have been selling at shipping points at \$1-\$1.50 per box for best grade and medium to large sizes, and the range has been about 25 per cent under that of last season.

Probably demand will be active, because when prices start low the public is likely to buy freely and keep it up through the season. A good export demand is anticipated, although there is still considerable labor trouble and unemployment in Europe. First shipments, consisting of early varieties, brought rather high prices.

Pears

The pear situation attracts more attention than usual because of the size of the crop. Production is about double the average of recent seasons. There are probably not so many Eastern Kieffers as last year. The greater part of the increased pear production is in the Pacific Coast region.

Exports last year were nearly $1\frac{1}{2}$ million bushels and amounted to 7 or 8 per cent of the crop. The extent of the foreign trade this year is doubtful, because early reports indicate that Europe has a larger crop of home-grown pears and may not require as much American fruit as was sold abroad last season.

PEACHES

The peach supply usually reaches a second period of heavy volume in September. The late shipping States have more than doubled the estimated production of last season. The crop is abundant in New York, New Jersey and Pennsylvania, also in the Middle West, particularly in Illinois, Michigan and Missouri. Shippers have made unusual efforts to secure wide distribution of the peach shipments and to increase the uses of the fruit in the manufacture of by-products. Leading varieties during the height of supply sold at about one-half the price level of a year ago.

GRAPES

Shipments of western grapes are likely to depend on demand rather than supply. Even after making more raisins than usual, the quantity available for shipment may perhaps reach 75,000 cars. Eastern grapes promise a much larger crop than last season; the total grape production may be fully 20 per cent above the average. Prices range below those of last season.

ORANGES

According to reports of summer conditions, the orange crop in both the principle producing regions will be greater than average and shipments may again exceed 60,000 cars, assuming that conditions do not change much from now until harvest. Possibly there may be some little added demand for export. It is reported an after effect of the spray residue trouble with apples in British markets was to increase the sale of other fruits.

POTATOES

Current supplies of potatoes have been cut down from a heavy midsummer volume to about the average of year around consumption. Rather low prices and less than average crops in several midseason shipping sections tend to check the present output. Production of early and intermediate potatoes has been midway between the drought shortage of last season and the heavy crop of two years ago; likewise the price.

The late potato States, as a group, were reported not doing much better than last year, particularly in the section from Nebraska northward, including the Dakotas and the northern Great Lakes region where the drought was severe. Latest potato production figures available show about three bushels per capita, which is a fraction above the still lighter crop of last season. The main crop, in general, is a week or two late and the rains coming since the reports were sent in must have done some good, where not excessive. Further developments of a freakish season are awaited with some concern. Growers of second crop potatoes, planted in July and August from New Jersey, southward, expect market conditions to favor them again this season. Canada awaits a potato crop a little better than last year but still below average yield.

Sweet potatoes show a fair increase over last season's short crop but indicated general production is still well below average. Much of the shortage is in the States which consume most of their crops. On the other hand, such leading shipping States as Tennessee, Virginia, Maryland, Delaware and New Jersey expect a crop 10 per cent above the 5-year average. As these States supplied more than half the carlots last year, there is no special indication of shortage in the market supply of sweet potatoes.

CABBAGE

Late cabbage acreage and yield are a little larger than last year but less than average of the past three years. The present conditions promise only a little more than last year, both of the common and storage types of cabbage, but possibly there will be more competition from the South in winter markets. Cabbage shipments gradually increase through September to the highest point in October.

LETTUCE

Lettuce has become a truck crop of first rank, shipping possibly about 40,000 cars this season and exceeding the carlot shipment of any other vegetable except potatoes. The present feature is the doubling of acreage in Arizona, which shipped 2,700 cars last season, beginning in October. Increases in fall lettuce acreage in California and Idaho and the considerable acreage in New Jersey and other Eastern sections indicate unusually heavy output.

CELERY

Another leafy crop showing gains in production is celery, which is reported 10 per cent above recent acreage, including heavy increase in New York, besides a 40 or 50 per cent gain of the fall crop in California.

ONIONS

Gains in late onion acreage have been 10 per cent, but indicated lighter yield per acre brings expectations down to nearer an average output - perhaps two thousand cars more than last season. Condition was fair to good at last accounts. Several leading main crop States reach height of movement in September.

FIELD BEANS

Conditions once more favor the bean consumer. Nearly as many beans were planted as last season. The output may be a record breaker unless there is a return of the unfavorable harvest weather, which made more than half the crop in some Eastern sections unfit for market last season. Not many years ago the East seemed ready to yield the bean-growing industry to the Pacific Coast and Mountain regions. This year New York seems to be coming back with 8 per cent of the total acreage. Michigan has double the acreage of California, and the 3 States, with 13 million acres, have about two-thirds of the field bean plantings. The market situation is affected by imports but is otherwise favorable, the old crop supply having been quite well cleaned up.

THE BEEF CATTLE OUTLOOK

Numbers of breeding stock, of cattle on feed, and of young stock, seem to be materially lower than for several years. Continued heavy marketings have cut into supplies of cattle, and material reductions in market movements seem likely during the next year or so. It seems probable that cattle prices will show an upward trend over the next two or three years. Both cattle feeders and range men should realize higher prices for their products within the next 18 months. Present prices, however, are at practically the pre-war level, so even a considerable advance might occur before cattle prices would be on a parity with the things the stockman has to buy.

Supply Situation

The disposition of the beef cattlemen for several years past has been to liquidate holdings and reduce production. Market prices and bank commitments prevented ranchmen from materially reducing their stocks for some time after the 1920 break but, during the last three or four years, marked reductions in the number of steers accompanied by less rapid reductions in the number of cows have taken place. Receipts of range cattle at important markets in 1925 were the heaviest in five years.

Slaughter of cows and heifers has been increasing at an average rate of something like 10 per cent per year since 1921 and the number slaughtered during the first 6 months of 1926 was the largest for any corresponding period since 1918, indicating that further reductions in breeding stock are taking place. The number of steers slaughtered annually has increased slowly but steadily since 1921, due partly to an increasing rate of turn-over and partly to the reduction of reserve on farms and ranges. It does not appear that the present numbers of breeding cows are sufficient to long maintain the present high rate of slaughter.

SUPPLIES FOR NEXT 18 MONTHS: It seems probable that the market supplies of cattle for the remainder of 1926 and for 1927 will be smaller than in several years. Movements of cattle and calves from market to feed lots during the first six months of 1926 were 6 per cent less than a year earlier, while marketings were 1 per cent greater and slaughter 3 per cent greater than in 1925. Although feed lots are far from empty the number of fed cattle yet to be marketed this fall appears to be somewhat less than in the fall of 1925. Receipts of cattle and calves at all markets during July this year were 8 per cent less than a

year previous, and similar receipts at 12 markets during the first two weeks of August show a decrease of 22 per cent. Stocker and feeder shipments in July fell off 18 per cent compared with last year, and such movements from 12 markets decreased 42 per cent during the first half of August. The best information from the range States indicates a considerably lighter run of grass cattle during the next three months than a year ago.

In the Southwest, there are lighter supplies of cattle available for marketing than a year ago. The supply of two year old steers is considerably below that of a year ago, when unusual numbers were on hand because of the drought in 1924 and 1925, which prevented putting them into condition for sale earlier. Also, many 1924 calves went as vealers on account of the same drought, reducing the present number of steers. The low calf crop in this region in 1925, high death losses, and close marketings of calves last fall, has reduced the number of yearling steers to well below those of a year ago. However, the 1926 calf crop in this region was generally good, and the number of calves to be offered from the Southwest this fall will probably compare very favorably with the past three years. The exceptionally good range and forage conditions and generally improved financial situation have placed southwestern cattlemen in a position where they would not be forced to sell on an unfavorable market.

In the northern Great Plains region certain areas recently have suffered severely from drought. These areas sent large numbers of cattle to market during the fall of 1925. Although unusually large numbers from these districts have already been marketed this year it seems certain the total will not be any larger this year than last. Numbers in these areas have already been so reduced that light movements may be expected next year, and there is a possibility that the cattlemen in that region will become active buyers whenever the trend of cattle prices indicates that such action is warranted.

With a material reduction in the number of range cattle to be sold this fall indicated, and the price conditions such as to discourage feeders, the number of cattle put on feed may be smaller than last year. This is likely to result in light supplies of fed cattle to be marketed next spring and summer.

The full extent of the reductions of beef cattle that have been taking place should be apparent by the autumn of 1927. Barring drought on the range or unexpected financial disturbances, there are likely to be fewer cattle marketed at that time, and with reduced numbers of cattle on the range, in feed lots, and consequently at market centers optimistic sentiment might prompt restocking which would further reduce market supplies.

DEMAND FOR FEEDER CATTLE: The margin between the present price of fed cattle and feeder cattle is exceptionally narrow. In July heavy steers sold only about \$2 above the comparable grades of feeders, whereas a year earlier the margin was nearly \$5, while on good light-weight steers the July margin was only about \$2.50 above feeders, as compared to about \$5 a year earlier. Present prospects indicate a corn crop in the North Central States west of the Mississippi River approximately 16 per cent short of last year and in the North Central States east of the Mississippi River, approximately 26 per cent less than last year. However, there will be a heavy carryover of old corn in the whole region, and the number of hogs is still low.

In contrast with a year ago light weight steers have been more profitable than heavier ones. If feeders respond to this situation as they have usually done in the past, there will be a better demand for lightweight than for heavyweight feeders this fall and the present unfavorable position of heavy fed steers may be reversed next summer. Feeders should remember that it is the prices which will prevail for fed steers next year, and not the present prices, which will determine their margins.

Price Outlook

Fed cattle prices averaged lower during the summer of 1926 than for several years past, being only slightly higher than in 1921. For this fall and winter, the probable lighter marketings may be offset to some extent by a slightly lower demand for beef and by a hesitancy to buy feeders. If cattle receipts this fall run as much below last year as seems likely, prices of fed cattle this fall and winter should show substantial advances over the present levels.

Prospects for fair supplies of corn, only a slight increase in the number of hogs to be fed, and a decrease in cattle available for feeding will tend to maintain the price of feeders on a level slightly higher than that which prevailed in the fall of 1925. Lighter weight cattle in feed lots will enable feeders to distribute market supplies over a longer period and in accordance with the movement of prices. Together with the reduced supplies, this may result in higher fed cattle prices during the coming winter and the spring of 1927 than a year earlier. Heavy fed cattle will top the summer market next year if feeders swing too heavily to light cattle this fall and winter. In the fall of 1927 range cattle prices probably will show a marked effect of the reduction in numbers that has taken place and should average higher than for several years past.

CONDITIONS IN COLORADO

Agricultural conditions in Colorado on August 20 are still in about the same high position as on the first of the month, 4 points above the 10-year average. The agricultural outlook is generally the best that has prevailed at this time for a number of years.

Some sections have had almost daily rains during a portion of the early part of the month, but generally, precipitation has been spotted and comparatively limited. Irrigation water continues plentiful under all irrigation systems, with reservoir supplies ample to meet all requirements this season. Irrigated crops are generally in splendid condition except where damaged by hail. During the early part of the season, in June and July, hail storms were more frequent than usual, and particularly caused extensive injuries to crops in the Arkansas Valley and certain sections of northern Colorado.

Temperatures have been favorable for all growing crops with no excessively long hot periods, though the eastern portions of the State suffered a few days of excessively hot winds, reducing the prospects for the corn crop in that section of the State. The winter wheat is practically all harvested except in the higher altitudes. The crop turned out about as expected, estimated as averaging about 14 bushels to the acre. Except in the eastern part of the State, corn is doing well but is a little late and may have to hurry to mature. Sugar beets are well advanced and promise a heavy crop. Beans promise an excellent crop in most sections of the State. Potatoes are fair but thus far not promising the high production of a year ago. The early crop was badly affected by hot rainy weather which developed fusarium and rhizoctonia.

The fruit crops of the State still maintain their high prospects of a month ago. The harvesting of cherries is about half completed, and the harvesting of peaches and pears is well under way. There has been some loss in cherries account of insufficient pickers.

The early lettuce deal is about completed and did not turn out as well as expected account of unfavorable weather conditions at harvest time. The late crop is doing well and is quite promising. Cabbage and onions are making good crops though the latter are not as good as a year ago due to some damage from thrips. Prices are exceedingly disappointing for both cabbage and onions, the early crop of cabbage only bringing about 20 to 35 cents per hundred.

The harvesting of the cantaloupe crop in the Arkansas Valley is well under way, of good quality, and starting out with fair prices. A good crop is in prospect.

Pastures, ranges and hay are in very satisfactory condition, above average, and all livestock better for this time of year. Nearly all sheep and cattle are on the higher ranges at this time. Few summer losses are reported. Financial conditions have slightly improved, though still considered unsatisfactory by cattlemen. Very little contracting thus far of lambs for fall delivery, around 10 cents seems to be the indicated price level.

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